



# PRESS RELEASE

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**COURT OF APPEALS AFFIRMS FORFEITURE OF \$2,000,000 LEGAL FEE  
TRUST FUND HELD BY F. LEE BAILEY**

United States Attorney Paul I. Perez announced this week that the United States Court of Appeals for the Eleventh Circuit issued its opinion affirming an order forfeiting to the government a \$2,000,000 trust fund that had been entrusted to F. Lee Bailey by William and Chantal McCorkle. The McCorkles, who are now serving lengthy prison sentences for fraud and money laundering in connection with their infomercial business, had set up the trust fund to pay for their legal fees.

According to the Court's opinion, the McCorkles used laundered funds to create the trust fund, and it is "clear that Bailey knew from the outset that the funds were subject to forfeiture." Indeed, the magistrate judge had made clear to Bailey that ownership of the trust fund was in dispute: "I'm sure no counsel of record would do anything to transfer away any portion of that two million dollar attorney fund . . . until we've had a chance to make a determination on that." Nonetheless, Bailey then had the trustees disburse almost the entire \$2 million to the McCorkles' lawyers, including almost a million dollars to Bailey and his wife.

In his attempt to avoid forfeiture of the money, Bailey argued that the United States had sent him several “signals” that he was entitled to the otherwise forfeitable money. Both the trial court and the court of appeals, however, rejected Bailey’s argument, concluding that the United States, the magistrate judge, and the district court judge had made clear that the United States was not abandoning its claim to forfeit the money. Indeed, the trial court found that the United States had “always actively sought forfeiture of the \$2,000,000 fund” and that Bailey’s claim that he had relied on the United States’ contrary “signals” was “not credible.”

This appeal was handled by Assistant United States Attorney David Rhodes.